



CALIFORNIA BUSINESS ALLIANCE
FOR A CLEAN ECONOMY



Elemental
Excelerator

Honorable Chair Liane Randolph
Honorable Board Members
California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

RE: Business Community Support for a More Ambitious Advanced Clean Fleets Rule

Dear Chair Randolph and California Air Resources Board Members,

As business and industry organizations with a strong commitment to support climate, clean energy and clean transportation initiatives that will grow California's economy and create good paying jobs, we write to express strong business support for adopting a more ambitious Advanced Clean Fleets (ACF) rule that zeros out fossil fuel medium- and heavy-duty (MHD) vehicle sales in 2036 and aligns with Governor Newsom's Executive Order N-79-20¹. An improved ACF rule is essential to meeting our state's air quality and greenhouse gas reduction targets while advancing our clean energy economy.

California's clean transportation policies are stimulating economic development in California, driving innovation and job growth, and advancing the state as a manufacturing and business nexus in the national transition to zero-emission vehicles (ZEVs) and a clean energy economy. The ACF rule holds enormous promise to build upon existing action to slash the transportation sector's greenhouse gas emissions and toxic air pollution that disproportionately harms frontline communities while ensuring California capitalizes on the clean energy economy of the future. However, a more ambitious final rule is needed to expand and accelerate these economic benefits while better protecting public health and addressing the climate crisis.

To improve the rule, the Board should direct California Air Resources Board (CARB) staff to:

- Require 100 percent zero-emission MHDV sales by 2036;
- Lower the High Priority Fleet threshold to fleets of 10 or more trucks for Class 7-8 tractors; and
- Accelerate Fleet Milestones for High-Polluting Class 7-8 Tractors.

100 Percent ZEV Sales by 2036 Will Boost California's Economy

Moving the 100 percent zero-emission MHDV sales requirement from 2040 to 2036 better reflects the rapid ZEV technological advancements and sends a more precise market signal that will prime the investment pump and bring zero-emission MHD vehicle production to scale². The manufacturing and infrastructure capacity to support an earlier new sales target is underway. Significant private investment is occurring to build out a national network of chargers³, while manufacturers continue to advance the production of MHD ZEVs.⁴

Strong Vehicle Standards Drive Economic Growth

California has already established itself as an epicenter of the clean energy economy, with nearly 540,000 clean energy workers.⁵ That figure includes almost 40,000 clean vehicle jobs, which includes jobs in electric and hybrid vehicle manufacturing, repair and maintenance, wholesale trade, and professional service in California's core ZEV industries. Notably, this does not capture jobs associated with EV charging infrastructure, which is a large and growing industry that is expected to grow even further with new federal incentives as part of the Inflation Reduction Act and Infrastructure Investment and Jobs Act.

California's ZEV policy leadership over the last decade has provided tremendous benefits to-date, facilitating the rise of a robust and growing ZEV business ecosystem that serves as the number one export of California. In 2022, the state surpassed one million plug-in electric cars, pickup trucks, SUVs, and motorcycles sold in California – more than the total sales in the next 10 states combined.⁶ Furthermore, this growth has supported high quality jobs; the average wage in California's EV ecosystem is 33% higher than the state's average wage.⁷

Harmful, local air pollution caused by internal combustion engines poses a significant risk to public health and therefore considerable economic costs in the form of additional hospital visits and healthcare expenses, decreased work productivity, and missed workdays. In fact, a robust economy is predicated on a healthy workforce and a healthy consumer population. And because many of California's most disadvantaged communities live near major transportation corridors, a transition to ZEVs will have strong equity benefits, driving public health benefits directly for these communities.

ZEV technology is evolving rapidly; sending a clear policy signal that aligns with the dynamism of the ZEV industry and with the state's zero-emission targets is necessary and attainable. California can remain at the forefront by pursuing ambitious policies to fully unlock the potential growth of a robust ZEV industry and decarbonize the transportation sector. A strong ACF rule will help cement California's zero-emission vehicle and charging infrastructure industries' global leadership and maximize in-state investment and employment of Californians in this burgeoning 21st century economy.

Thank you for your continued leadership on this important issue.

Sincerely,

Suzanne Merkelson
Director US State Policy & Government Affairs
Arrival

Ruben Aronin
Director
California Business Alliance for a Clean Economy

Jason Anderson
President and CEO
Cleantech San Diego

Christina Angelides
Director, Policy Lab
Elemental Excelsior

Gail Parson
Deputy Director
E2 | Environmental Entrepreneurs

Mary Leslie
President
LABC | Los Angeles Business Council

Jack Symington
Sr. Program Manager, Transportation
LACI | Los Angeles Cleantech Incubator

^[1] California Governor. "EO N-79-20." 2020.

<https://www.gov.ca.gov/wp-content/uploads/2020/09/9.23.20-EO-N-79-20-Climate.pdf>

^[2] Noel Melton, Jonn Axsen, Barbar Moawad. "Which plug-in electric vehicle policies are best? A multi-criteria evaluation framework applied to Canada." *Energy Research & Social Science*, Volume 64, 2020, 101411, ISSN 2214-6296, <https://doi.org/10.1016/j.erss.2019.101411>.

^[3] See [Daimler Truck North America](#), [Volvo Trucks](#), [Penske Trucks](#), [NATSO](#), [Loves Travel Stops](#)

^[4] See, e.g., Volvo, "News and Stories" <https://www.volvotrucks.com/en-en/news-stories.html> ; Daimler, "Global Media Site" <https://media.daimlertruck.com/marsMediaSite/en/instance/ko/Start.xhtml?oid=4836258> ; Traton, Press Releases" https://traton.com/en/newsroom/press_releases.html .

^[5] Environmental Entrepreneurs. "Clean Jobs California 2020." 2020.

<https://e2.org/reports/clean-jobs-california-2020/>

^[6] California Governor's Office. "California Leads the Nations ZEV Market Surpassing 1-million electric vehicles sold." 2022.

<https://www.gov.ca.gov/2022/02/25/california-leads-the-nations-zev-market-surpassing-1-million-electric-vehicles-sold/>

^[7] Los Angeles County Economic Development Corporation. "The Electric Mobility Revolution in Southern California." 2020. <https://laedc.org/2020/03/01/laedc-ev-industry-report/>